



Office of Program Research

House of Representatives

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April 25, 1988

MEMORANDUM

TO: Members, Commerce & Labor Committee
FROM: Joan Elgee, Staff Counsel
RE: PREVIOUS LIQUOR STUDIES

DEFENDANT'S EXHIBIT

CASE
NO. C04-0360P

EXHIBIT
NO. 503

This memo briefly summarizes major liquor studies undertaken since 1960.

1963 - Legislative Council (Senator Thompson, Representative Perry), Liquor Control Board study.

(Not yet reviewed. In archives.)

1965 - Council for Reorganization of Washington State Government (created by executive order of Governor *Spellman*), "Survey Report and Recommendations"

Made 30 recommendations for improving Liquor Control Board operations, ranging from establishing a position of general manager to reviewing local cartage rates. The only recommendation requiring legislative action was to reduce the statutory discount rate for Class H licensees.

1966 - Legislative Budget Committee, "Alcoholic Beverage Control System"

Made several recommendations, including restructuring taxes, requiring the Liquor Control Board to submit a long range plan for establishment of state liquor stores and conversion from designated vendors to state stores, and reviewing the number of Class H licenses issued.

1978 - Legislative Budget Committee, "Performance Audit - Liquor Control Board"

Concluded that several administrative changes should be made, including improved planning, achievement of savings by adjusting store hours and making other operational changes, and development of standards for leasing stores. No legislative changes recommended except for considering increased license fees.

1983 - Legislative Budget Committee, "State Level Fiscal Impact of Prohibiting Sale of Strong Beer and Wine in State Liquor Stores"

Concluded that removing the authority of the Liquor Control Board to sell strong beer and wine would result in a net income loss and that therefore the authority should be continued.

1983 - Office of Financial Management (requested by Governor Spellman), "The Desirability of Continuing Retail Liquor Sales by State Government"

Determined that changing to a free enterprise liquor system would be of no advantage to the people of the state in that consumption would likely increase, liquor revenues would decrease, and liquor prices would be higher.

1985 - Senate Commerce & Labor Committee staff, Senate Floor Resolution 97, "Feasibility of Combining Liquor Control Board, Gambling Commission, and Lottery Commission"

Determined that a merger had potential advantages, but could also create serious operational, fiscal, and ethical problems.

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